



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
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Santa Fe, New Mexico 87505
(505) 827-7131

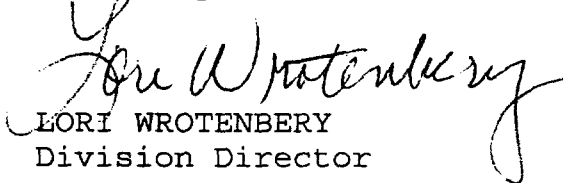
April 27, 1999

Mr. William F. Carr
Campbell, Carr, Berge & Sheridan
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Dear Mr. Carr:

Based upon the reasons stated in your letter of April 27, 1999, and in accordance with the provisions of Division Order No. R-11090, David H. Arrington Oil & Gas, Inc. is hereby granted an additional extension of time until August 1, 1999, in which to begin drilling the well pooled by this order.

Sincerely,


LORI WROTENBERY
Division Director

fd/

cc: Case No. 12079
OCD - Hobbs

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& SHERIDAN, P.A.
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April 27, 1999

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OIL CONSERVATION DIV.
APR 27 PM 1:43

HAND DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: **Case No. R-12079:** Application of David H. Arrington Oil & Gas, Inc. for compulsory pooling, directional drilling and an unorthodox well location, Lea County, New Mexico

Dear Ms. Wrotenbery:

On November 14, 1998, the Division entered Order No. R-11090 which granted the application of David H. Arrington Oil & Gas, Inc. in the above-referenced case pooling all mineral interests from the surface to the base of the Lower Mississippian formation under the following spacing and proration units in Section 3, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico:

- A. Lots 9, 10, 15 and 16 and the SE/4 forming a standard 320-acre spacing and proration unit for all formations and/or pools developed on 320-acre spacing;
- B. SE/4 forming a standard 160-acre spacing and proration unit for all formations and/or pools developed on 160-acre spacing;
- C. N/2 SE/4 forming a standard 80-acre spacing and proration unit for all formations and/or pools developed on 80-acre spacing; and
- D. NE/4 SE/4 forming a standard 40-acre spacing and proration unit for all formations and/pools developed on 80-acre spacing.

Lori Wrotenbery, Director
Oil Conservation Division
April 27, 1999
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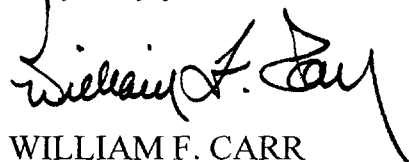
These pooled units are to be dedicated to the proposed Parachute Adams Well No. 1 to be directionally drilled from a surface location 1859 feet from the South line and 777 feet from the East line (Unit Q) to an unorthodox bottomhole location 1450 feet from the South line and 990 feet from the East line (Unit Q) of Section 3.

On January 21, 1999, you granted an extension of Order R-11090 to May 1, 1999. The purpose of this letter is to request an additional extension of Order No. R-11090.

By letter dated January 13, 1999, I advised that Arrington had discovered certain changes in the ownership of the pooled acreage which were delaying their efforts to spud the well. These title problems have been resolved and Arrington is planning to immediately proceed with the well. However, it will not be possible for them to be on location by May 1, 1999 and Arrington therefore requests an additional 90-day extension of Order R-11090.

Your attention to this request is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", written in a cursive style.

WILLIAM F. CARR

WFC:mlh

cc: Bill Baker